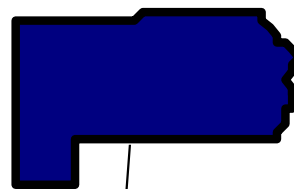
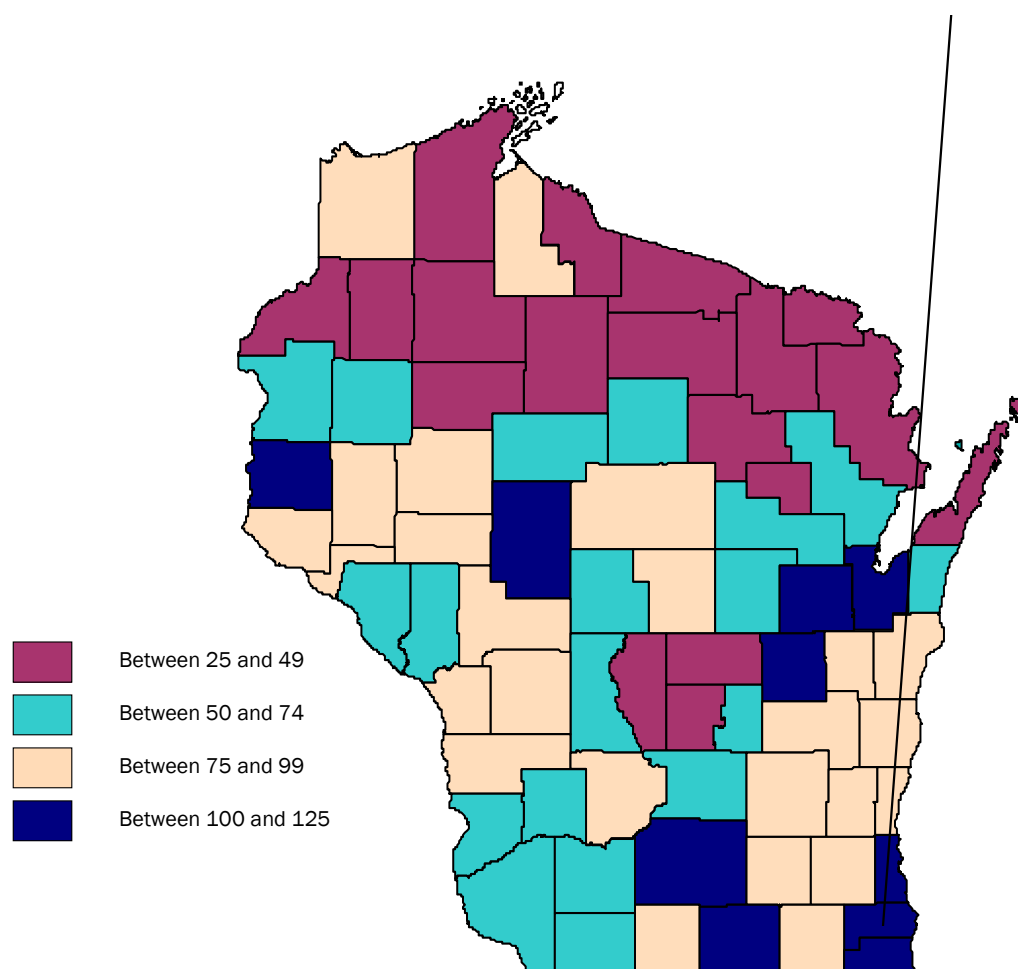


# Racine County Workforce Profile



The number of residents aged 25-29 years for every  
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



## County Population

Racine County is the state's fifth most populous county with 191,853 residents in 2004. It has grown slower compared to national and statewide growth rates since the 2000 census and has continued its sluggish growth that began before the 2000 census. The table below lists the county's largest municipalities and their growth rates from 2000 to 2004. The most salient item below is the fact that Racine City's population has continued to

### Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
<b>United States</b>	281,421,906	292,287,454	10,865,548	3.9%
<b>Wisconsin</b>	5,363,715	5,532,955	169,240	3.2%
<b>Racine County</b>	188,831	191,853	3,022	1.6%
<b>Largest Municipalities</b>				
Racine, City	81,855	80,806	-1,049	-1.3%
Caledonia, Town	23,614	24,452	838	3.5%
Mount Pleasant, Village	23,142	24,347	1,205	5.2%
Burlington, City*	9,936	10,183	247	2.5%
Norway, Town	7,600	7,860	260	3.4%
Burlington, Town	6,384	6,511	127	2.0%
Waterford, Town	5,938	6,281	343	5.8%
Sturtevant, Village	5,287	5,451	164	3.1%
Union Grove, Village	4,322	4,459	137	3.2%
Waterford, Village	4,048	4,399	351	8.7%

\*Racine County portion only

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

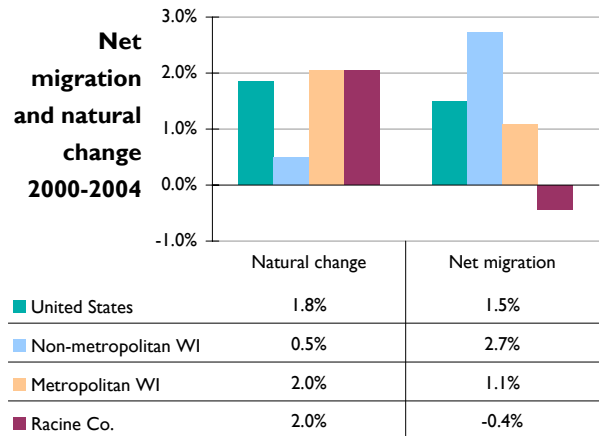
decline, having lost over 1,000 residents over this four-year period. Its remaining municipalities are showing moderate growth. The Village of Mount Pleasant to Racine City's north has shown the largest volume growth as well as a quick growth rate. Other communities in the northwest and southwest portions of the county have also experienced faster than average population growth. An interesting point is that these top ten municipalities comprise 91 percent of the county's population.

The slow growth of the county's population can be directly attributed to residential out-migration. In fact, if it were not for considerable natural increase, the county would have shown a slight net loss of population. Racine County's natural increase is bolstered by the fact that it has a higher than state average birth rate of 13.3 births per 1,000 population.

The topic of population change in terms of labor market information is an important one and the examination the population's age char-

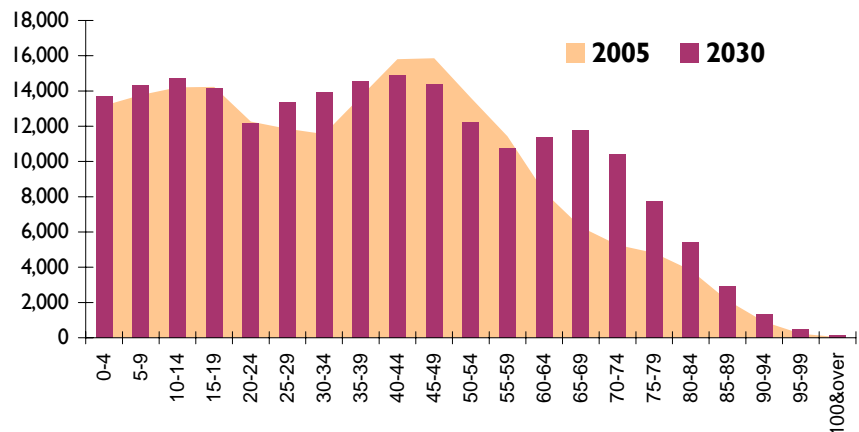
acteristics is an even more important point. The graph at the bottom of this page outlines the Racine County's population projections in 2005 and 2030 by age group. A quick summary of the graph might be stated that most of the older age groups and a few of the younger-adult groups will become larger by 2030, and that the remaining age groups will maintain their current shares within the population. More realistically, the impending changes will likely be much more dramatic than this simple graph can justify.

The county's population is projected to grow by almost 22,000 residents or about 11 percent from 2005 to 2030. This growth rate is slower than the statewide projection of 15 percent. The county's age composition in 25 years will differ greatly from what it is currently. The number of those under the age of 20 will increase by three percent. Those aged 20 to 59 years will increase only 0.3 percent and those aged 60 and older will increase by 63 percent. From a compositional view, these changes will decrease the under 20



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

### Population by Age Groups in Racine County



Source: WI Dept. of Administration, Demographic Services

## Future Population and Labor Supply

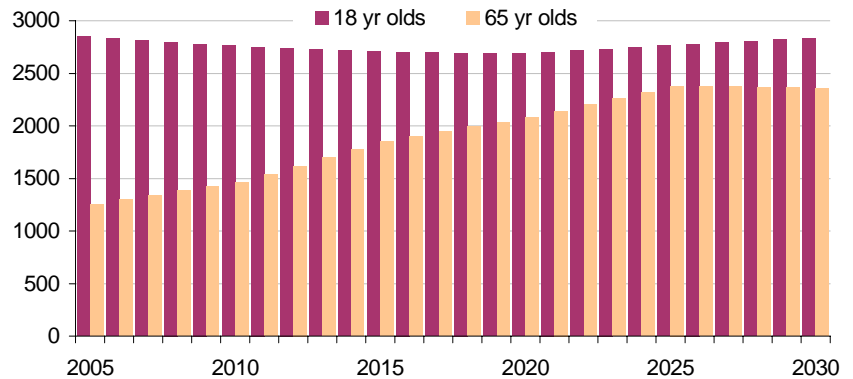
population from 29 percent of the total population down to 26 percent. The 20 to 59 year olds will drop from 55 percent to 49 percent of the total. And those aged 60 and older will increase from 16 percent to 24 percent of the total population.

In terms of the labor market and overall economy, there will likely be no single factor with more potential impact than the age of the population. The graph to the right represents a "thin slice" of these demographic issues comparing the number of Racine County's 18 year olds and 65 year olds each year from 2005 to 2030. Generally, the number of 18 year olds will remain fairly constant, while the number of those aged 65 will increase a disproportionately higher 90 percent.

This disparity is a microcosm of overall projections when age is the focal point, which presents a number of issues to resolve. One issue is that the number of those leaving the workforce will exceed those entering. One should keep in mind that there have already been labor shortages in the 1990s with "surplus" entrants. The coming years will likely experience more pronounced labor shortages particularly in occupations that tend to be filled by those of a certain age group, gender, or educational background. Another issue is that as the population ages, the economy changes. As residents age, they place a different level of demand on a community's providers of goods and services, i.e., health services, retail trade, leisure and hospitality, etc., compared to previous years.

Employers will compete with one another for workers as they always have, but skilled/educated workers could be in shorter

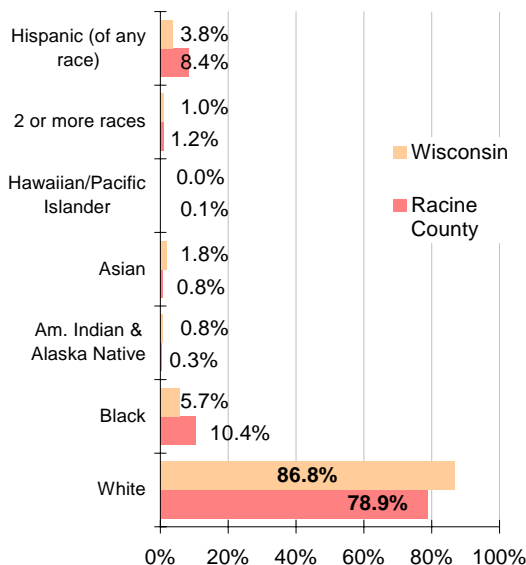
**Convergence of 18 & 65 year old population in Racine County**



Source: WI Dept. of Administration, Demographic Services

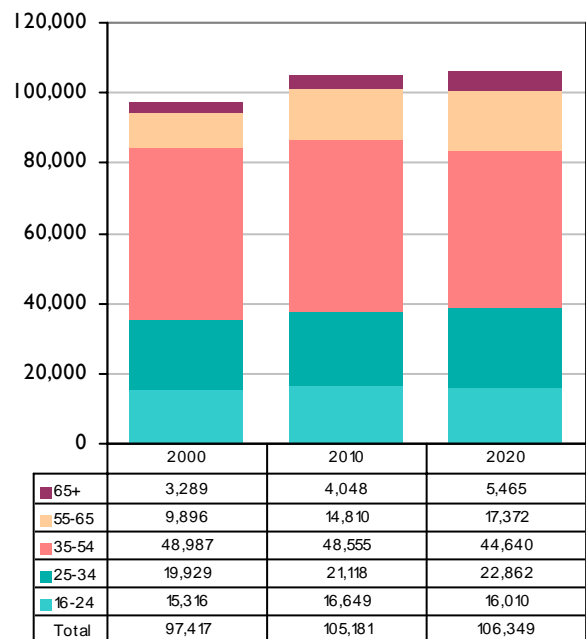
supply relative to increased demand. The labor force will be older on average though it is uncertain whether workers will remain in the labor force any longer than they are currently. Trends suggest that workers are retiring at younger ages. Retirement is actually a subjective term as many retirees rejoin the workforce though usually in a reduced capacity. Retirees/older workers are a small portion of the workforce as the labor force participation rate of those 65 and older is low. For example it is estimated that only about 26 percent of those aged 65-69 in Racine County are in the labor force. At ages 70 and older, this percentage of participation drops below 15 percent as one might expect.

**Race and ethnic distribution**



Source: U.S. Census Population Characteristics Estimates, 2002

**Racine County Labor Force Projections by Age**



Decade change 2.7% 8.0% 1.1%

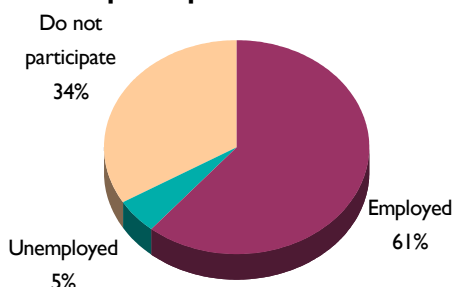
Source: DWD, Office of Economic Advisors, August 2004

## Current Labor Force

Racine County continued to show a high unemployment rate in 2003 compared to the record lows of the late 1990s. The recent recession impacted southeast Wisconsin's labor force much more adversely than the state as a whole. The fact that Racine County's number of unemployed increased from 3,800 in 1998 to almost 7,700 in 2003 reflects this. Sixty-five percent of the county's unemployed are located in

decline as many workers of the baby boom generation will retire and leave the labor force. Being a metropolitan county with a slightly younger than average population will help maintain some stability in Racine's potential worker supply, but this will not completely offset its aging dynamics.

**Labor force participation in Racine County**

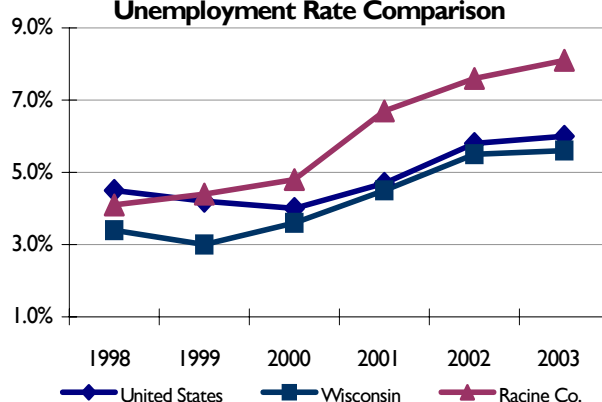


Source: DWD, Office of Economic Advisors, July 2004

the City of Racine compared to 41 percent of the county's total labor force.

Racine County's labor force participation rate (LFPR) was 66.5 percent in 2003, which was slightly higher than the national rate of 66.2 percent, but was much lower than the state's average of 72.9 percent. It is likely that the county's LFPR will maintain its current level for the remainder of the decade and will gradually

**Unemployment Rate Comparison**



**Racine County Civilian Labor Force Data**

	1998	1999	2000	2001	2002	2003
Labor Force	93,157	90,927	91,969	93,402	92,920	94,556
Employed	89,363	86,938	87,579	87,182	85,858	86,875
Unemployed	3,794	3,989	4,390	6,220	7,062	7,681
Unemployment Rate	4.1%	4.4%	4.8%	6.7%	7.6%	8.1%

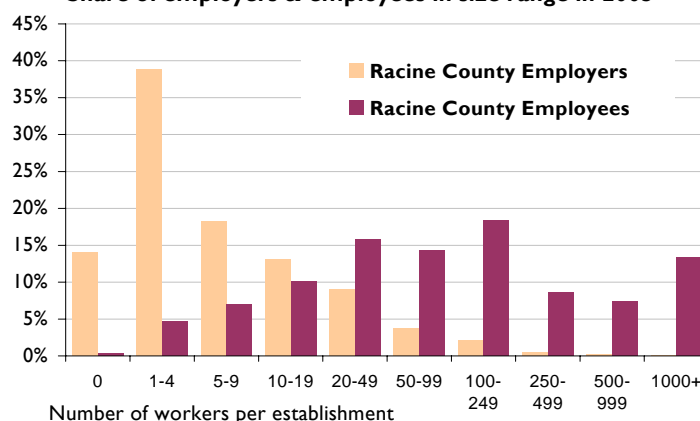
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

## Employers by Size

The majority of Racine County's employers are smaller as approximately 70 percent of them have between one and 19 employees. While this may seem to be an inordinately high share of smaller employers, it is actually a typical share. The term "small employer" is subjective. Some define it as an employer with less than 500 employees, while others define it as low as 20 employees or fewer.

From the employee perspective, the highest share of the county's employees work in establishments that employ 100-249 workers. In fact, almost 48 percent of all Racine County employees work in establishments with 100 or more total employment. On average, the number of employees per employer is 17 in Racine County. This is the same as Wisconsin's average and is higher than the national average, which is 13 employees per establishment.

**Share of employers & employees in size range in 2003**



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

## Industry & employers by size

Examination of a county's labor market from the demand (employer) point of view is essential to gauge the type of workforce employers are seeking. The tables below outline the county's top employing industries and the top employers by name and establishment size. The pie-graphs to the bottom indicate the prominence of these top industries and employers in terms of the county's total employment.

It is common for services-providing sectors to show the larg-

est and fastest employment growth in both one- and five-year periods. Some goods-producing sectors, like manufacturing industries, may still show a large employment presence, but they may likely show a loss of employment over these time-frames, too. It is also common for many counties traditionally heavy in goods-producing employment to now have services-providers, particularly those in health and education services, as their larger employers and industry sectors.

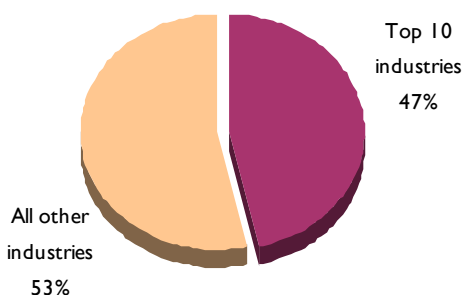
### Top 10 Industries in Racine County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Educational services	35	5,021	-14	479
Food services & drinking places	254	4,906	123	727
Hospitals	3	3,862	132	705
Machinery manufacturing	61	3,734	-508	-2,420
Administrative & support services	165	3,503	322	-900
Chemical manufacturing	7	3,458	28	118
Executive, legislative, & gen government	20	2,978	-61	1
Ambulatory health care services	179	2,578	-1	318
Electrical equipment & appliances	21	2,568	-360	-1,144
Specialty trade contractors	309	2,508	137	241

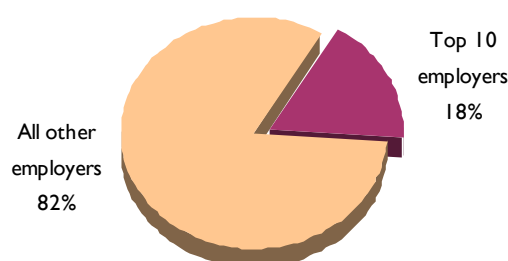
### Top 10 privately owned Employers in Racine County

Establishment	Product or Service	Size (Dec. 2003)
All Saints Medical Center Inc.	Offices of physicians, except mental health	Over 999 employees
S. C. Johnson & Son Inc.	Polish and other sanitation good mfg.	Over 999 employees
CNH America LLC	Farm machinery and equipment manufacturing	Over 999 employees
Emerson Electric Co.	Other major household appliance manufacturing	Over 999 employees
Wal-Mart Associates Inc.	Discount department stores	500-999 employees
Modine Manufacturing Company	Motor vehicle parts manufacturing	500-999 employees
Bombardier Motor Corp. of America	Engine equipment manufacturing	500-999 employees
Johnsondiversey Inc.	Polish and other sanitation good mfg.	500-999 employees
Metro Milwaukee Auto Auction	Wholesale trade agents and brokers	500-999 employees
Adecco USA Inc.	Temporary help services	500-999 employees

Share of jobs in top 10 industries in Racine County



Share of Racine County jobs with top 10 employers



Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

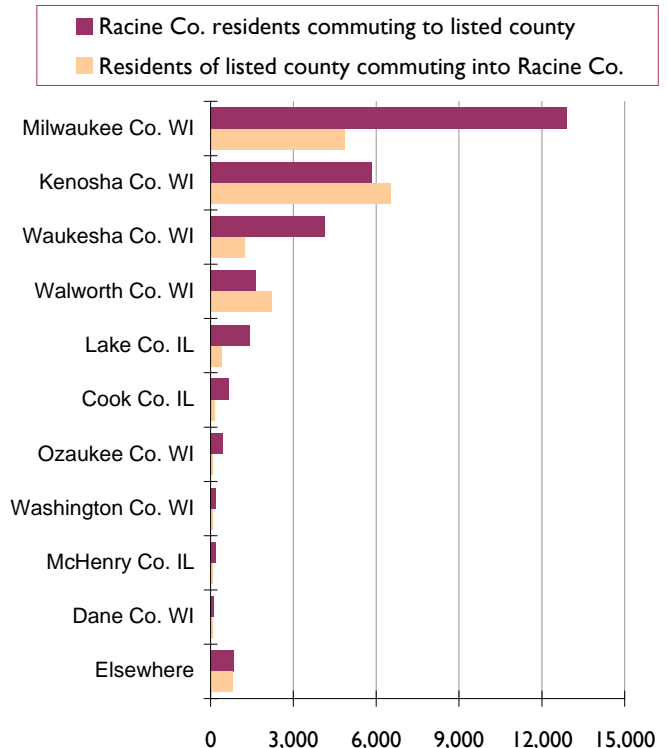
## Commuting

Census data from 2000 show that 32 percent of Racine County's employed residents work in other counties. In terms of the county's net commute, 28,500 residents leave the county, while Racine employers attract 16,500 workers from other counties for a net commute of -12,000 workers.

Compared to other counties in this region of Wisconsin, Racine County's commuting is actually subdued. Though Racine's 32 percent clip of out-of-county commuting is higher than the state's average of about 25 percent, it is a bit lower than the regional average, which is arguably the most dynamic region in the state in terms of commuting given its large, diverse economic bases.

Milwaukee County attracts the largest number of workers from Racine County, almost 13,000 or about 15 percent of all of Racine County's workers. Close to 6,500 Kenosha County workers travel to jobs in Racine County. Kenosha County and Walworth County are two of the few counties from which Racine imports more workers than it exports.

Close to 2,300 of Racine's workers cross the state border in Illinois, while approximately 600 Illinois residents work in Racine County.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

## Key occupations & wages

The table to the right lists the occupations with the most employment in Racine County as of May 2003. Their hourly wages are also displayed.

The hourly wages shown include the mean (average) and the median (50<sup>th</sup> percentile), which are the most frequently requested occupational data. The 25<sup>th</sup> and 75<sup>th</sup> percentile wages are also included to help give an indication of entry-level and experienced worker wages, respectively. The 25<sup>th</sup> percentile indicates that 75 percent of the total workers in this occupation earn more per hour than this wage. The 75<sup>th</sup> percentile wage indicates that 25 percent of workers make more than this hourly wage.

If the mean and median wages are relatively close, the labor market for this worker is probably tight or very competitive for hiring employers. If the median is significantly below the mean, an employer offering mean wages should have an advantage in attracting workers. On the same hand, prospective workers will likely find a higher than average level of competition for these jobs.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
Retail salespersons	\$9.72	\$6.94	\$8.17	\$10.52
Cashiers	\$7.69	\$6.53	\$7.46	\$8.47
Team assemblers	\$12.02	\$9.84	\$12.15	\$13.79
Office clerks, general	\$11.19	\$9.08	\$10.80	\$13.08
Packaging & filling machine operators & tenders	\$12.01	\$10.10	\$11.16	\$14.77
Janitors & cleaners, except maids & housekeeping	\$10.10	\$7.92	\$9.66	\$11.82
Waiters & waitresses	\$6.97	\$5.82	\$6.31	\$6.81
Stock clerks & order fillers	\$9.40	\$7.02	\$8.67	\$11.21
Bookkeeping, accounting, & auditing clerks	\$13.65	\$10.82	\$13.24	\$16.08
Sec. school teachers, except special & voc. ed.	*	*	*	*
Secretaries, except legal, medical, & executive	\$11.57	\$9.25	\$11.52	\$13.68
Comb. food prep. & serving workers (fast food)	\$7.52	\$6.27	\$7.23	\$8.47
Nursing aides, orderlies, & attendants	\$11.51	\$9.90	\$11.09	\$12.75
Sales reps, whsl. & mfg, except tech. & scientific	\$24.10	\$14.60	\$22.29	\$28.80
Receptionists & information clerks	\$10.64	\$8.94	\$10.31	\$12.19
Executive secretaries & admin. assistants	\$15.48	\$11.78	\$14.56	\$18.15
General & operations managers	\$41.75	\$24.41	\$34.71	\$53.79
Maintenance & repair workers, general	\$16.93	\$14.09	\$17.37	\$20.49
Customer service representatives	\$14.25	\$10.56	\$13.10	\$16.90
1st-line supervisors/mgrs. of retail sales workers	\$16.38	\$11.64	\$15.09	\$20.12

Racine County is the Racine Metropolitan Statistical Area.

Source: DWD, Bureau of Workforce Information, Occupation Employment Statistics Survey 2003



## Employment and Wages

Racine County's employers pay just over seven percent more in average annual salaries than the state's overall average. This seven percent difference is bolstered by the fact that Racine County is home to the highest paying manufacturing employment in Wisconsin, paying 28 percent higher than the statewide annual average. Manufacturing is the largest employing sector in the county, it pays the most in total wages, and it pays the highest average wage so the economic premium on this industry sector's employment is obvious.

The majority of Racine's industry sectors pay higher than their respective state averages. A few do not. The lowest relative wage is in financial activities employment. This is due to the fact that Racine's establishments in this broad sector may be smaller branch or independent establishments, and likely employ a higher than average share of occupations that are less tenured, more entry-level and/or less managerial; all with commensurate pay scales. This is the same manner of reasoning that Racine's manufacturing wages are so much higher than average. Racine has prominent, corporate/headquarter/parent company manufacturing establishments that employ many in the ranks of executive, manage-

### Average Annual Wage by Industry Division in 2003

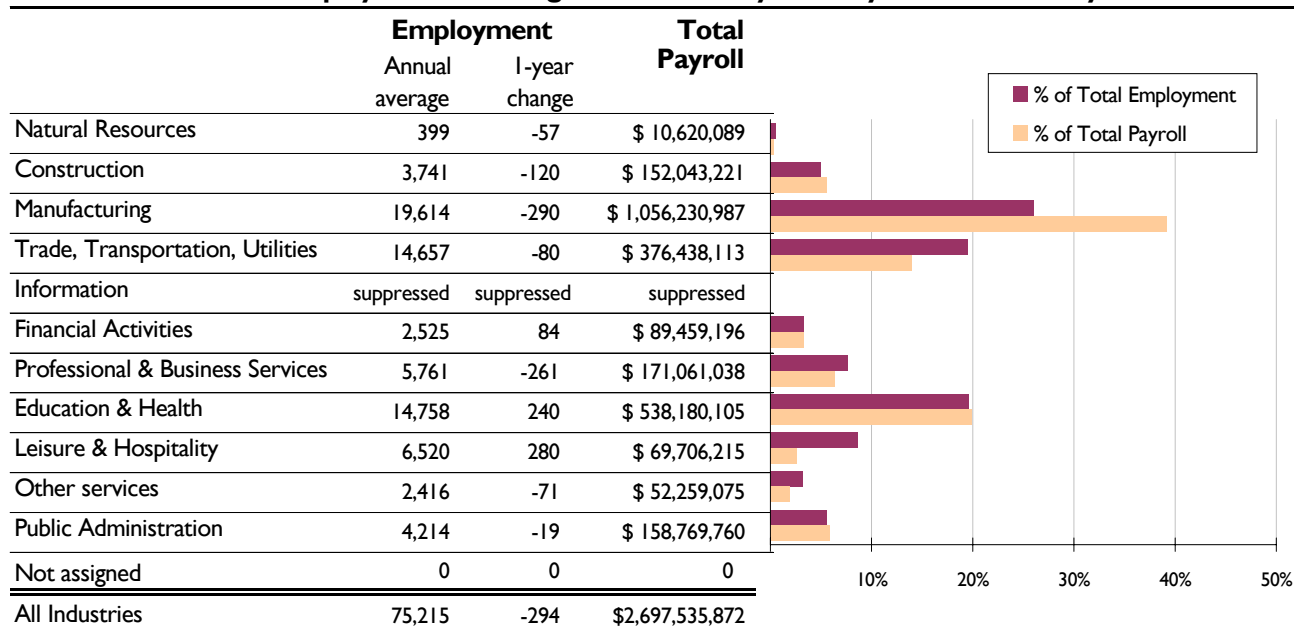
	Average Annual Wage Wisconsin	Average Annual Wage Racine County	Percent of Wisconsin	1-year % change
All Industries	\$ 33,423	\$ 35,864	107.3%	4.3%
Natural resources	\$ 25,723	\$ 26,617	103.5%	5.4%
Construction	\$ 40,228	\$ 40,642	101.0%	0.5%
Manufacturing	\$ 42,013	\$ 53,851	128.2%	6.8%
Trade, Transportation, Utilities	\$ 28,896	\$ 25,683	88.9%	2.4%
Information	\$ 39,175	suppressed	Not avail	Not avail.
Financial activities	\$ 42,946	\$ 35,429	82.5%	10.0%
Professional & Business Services	\$ 38,076	\$ 29,693	78.0%	3.0%
Education & Health	\$ 35,045	\$ 36,467	104.1%	4.1%
Leisure & Hospitality	\$ 12,002	\$ 10,691	89.1%	3.4%
Other services	\$ 19,710	\$ 21,630	109.7%	0.8%
Public Administration	\$ 35,689	\$ 37,677	105.6%	3.9%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

rial, and professional capacities. These are higher, if not extremely high paying occupations in many cases.

It is for these occupational reasons that examination of a county's wage structures goes beyond its industry presence alone. Additional information about an establishment's role, corporate status and its types of workers are also important. For example, two establishments reported in the same industry can pay vastly differently depending upon geographic location, skill/education of workers, workers' union affiliation, just to name a few factors.

### 2003 Employment and Wage Distribution by Industry in Racine County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

## Per Capita Personal Income (PCPI)

Income is the resultant combination of all manners in which people or families or households obtain monies. The majority of a county's total income is obtained via wages earned from jobs. Racine County, as a whole, obtains a slightly higher than average share of its total income from wages (graph, bottom right). It obtains a lower than average share of its total income from dividends, interest and rental income.

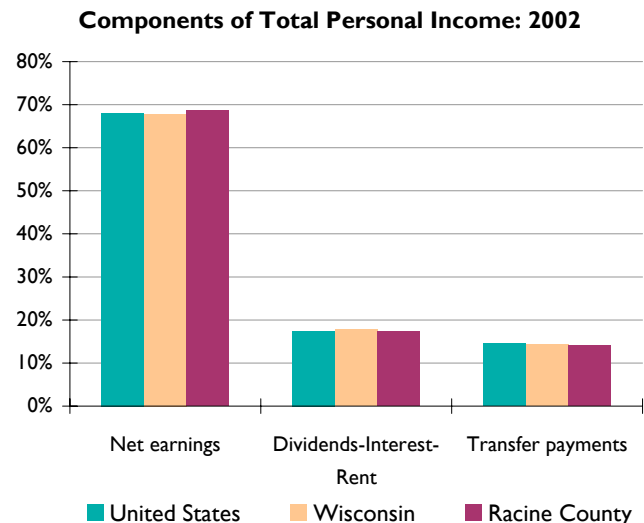
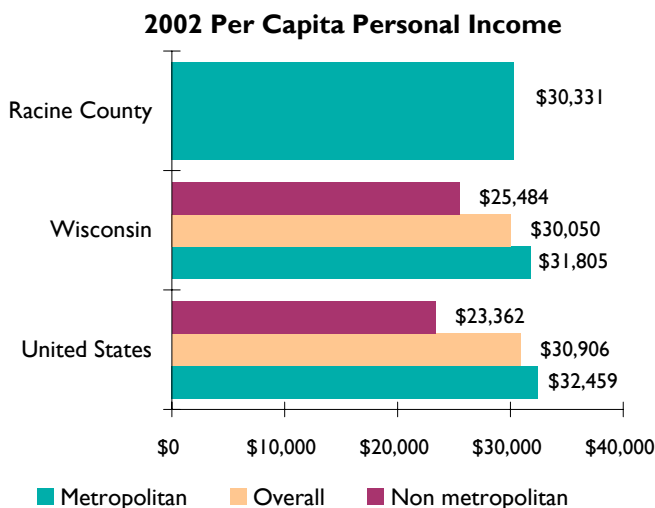
Per capita personal income (PCPI) is the most utilized statistic in referencing a local area's comparative economic health. One must keep in mind that this per capita measurement implies that the population portion of the equation is just as

meaningful to PCPI as the dollars being divided by it.

Racine County's PCPI has increased more slowly than state and U.S. PCPI over the last five years. This is due to slow growth in total personal income (not shown) coupled with population out-migration. Much of the population out-migration has likely been by those who are wage earners. New population growth, overall, has come naturally via births of children, who are not wage earners, yet are still part of the per capita measurement, nonetheless. Lastly, high paying employment has subsided over the years and has affected the county's total personal income, thus affecting PCPI.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Metropolitan WI	\$25,972	\$27,711	\$28,770	\$30,317	\$31,106	\$31,805	2.2%	22.5%
Racine County	\$26,001	\$27,198	\$27,483	\$28,779	\$29,844	\$30,331	1.6%	16.7%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Metropolitan WI	\$29,111	\$30,584	\$31,067	\$31,672	\$31,598	\$31,805	0.7%	9.3%
Racine County	\$29,144	\$30,018	\$29,677	\$30,066	\$30,316	\$30,331	0.0%	4.1%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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**Metropolitan Statistical Area (MSA)** - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

**Non-metropolitan county** - Any county that is not a member of a metropolitan statistical area.

**Net Migration** - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

**Natural Change** - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

**Employed** - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

**Unemployed** - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

**Labor Force** - The sum of the employed and unemployed, whom are at least 16 years of age and older.

**Unemployment Rate** - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

**Labor Force Participation Rate (LFPR)** - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

**Suppressed** - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

**Total Personal Income** - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

**Per Capita Personal Income (PCPI)** - Total personal income divided by the total population.

**Current Dollars** - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

**CPI-U** - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.